

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1157
ANSWERED ON:10.03.2005
MIXING OF ETHANOL IN PETROL
Ahir Shri Hansraj Gangaram

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government has decided to make the percentage of ethanol to be mixed with petrol as optional;
- (b) if so, the likely adverse impact of this decision of the Government on the production of domestic ethanol;
- (c) whether consumption of petrol has been reduced due to use of ethanol in vehicles; and
- (d) by making the percentage use of ethanol as optional, to what extent the economy of the country will be effected adversely due to increase in petrol consumption, resulting more import of petrol?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

- (a) & (b) In terms of Gazette Notification, GSR 705(E) dated 27.10.2004 issued in accordance with Section 3 of the Essential Commodities Act, 1955(10 of 1955) read with clause 3(F) of the Motor Spirit and High Speed Diesel(Regulation of Supply and Distribution and Prevention of Malpractices) Order, 1998, supply of 5% ethanol-blended-petrol in notified areas is mandatory if the price at which ethanol is offered is comparable to the price of ethanol for alternative uses, and is comparable to the delivery price of petrol at the notified locations, and if the supply of ethanol can be maintained at such prices.
- (c) Consumption of petrol goes down to the extent of use of ethanol in petrol.
- (d) Does not arise in view of what has been stated at (a) & (b) above.